

[Editor's Note: The following is in response to a housing bond editorial that appeared in The News and Observer on September 19, 2005]

Editor, News and Observer:

In response to your editorial of Sept. 19 regarding the City of Raleigh's housing program, the 2000 housing bond is nearly depleted, but so far the City has used these funds to provide an additional 445 rental units and 144 ownership units, as well as to help 60 families buy their first home, provide senior housing, and other uses. The 2000 bond was used to serve the complete range of housing needs found in a diverse city. Recipients were had low to moderate incomes, they were first-time homebuyers, they were elderly, they were disabled, and they were the homeless reaching up for life out of the street. Should the voters approve the 2005 \$20 million housing bond, the recipients will have these same needs.

Sometimes the rental units added to Raleigh's housing stock with bond assistance appear to come, as you put it, at "fairly hefty rents" or appear to compete unnecessarily with other units built without City assistance.

First, the rents cited were for new three-bedroom apartments at the top of the range of rents set by the federal government and considered affordable in our housing market,. Many other units within the same complex rent for rates considerably lower. The goal is to provide an "income mix" without providing subsidized units to those who don't truly need the government's help. Fully 85% of the renters the City of Raleigh helps are at half of Raleigh's median income, or up to \$25,000 for a single person, \$35,700 for a family of four. According to a housing market study recently completed for Raleigh, "most very low-income families with incomes less than 50 percent of AMI (area median income) cannot afford local rents" (Raleigh Consolidated Plan, page 30). If Raleigh is to remain desirable and viable we must make sure it a city that is home to its workforce. We must see that those willing to do the jobs necessary to all of our daily lives are not forced out of town at sundown because they cannot afford to live here.

Second, any units placed on the market at any time will compete with those already built. Renters looking for lower-cost apartments are free to choose among any such units on the market at any given time. Most will choose a new unit over an older unit if it can be obtained at the same (or even lower) rate. The units we help create must remain affordable for up to thirty years: a feature that is not shared by other apartment communities.

The average rent in Wake County last year for three-bedroom apartments was nearly \$1,000.

On October 11 voters are being asked to consider the housing bond referendum for \$20 million to continue the City's programs in the areas of helping working families buy their first house, helping low-income residents address housing repair needs and code violations, and providing financial assistance to developers of new affordable housing. The bond funds will also enable the City to purchase, repair, and make available at reasonable rents rental units throughout the City, provide homeownership training, address special needs populations such as homeless persons, and pursue neighborhood revitalization activities which are critical to our success as a growing city. For a complete report on the uses of the 2000 housing bond, look on the City's website at www.raleighnc.gov, Departments, Community Development, Publications, "Bond Booklet".

Sincerely,

J. Russell Allen
City Manager
City of Raleigh